

September 5, 2000

CENTRAL MAINE POWER COMPANY
Request for Approval of Affiliated
Interest Transaction With Union Water-
Power Company For Installation of
Fiber Optic Cable in Sanford, Maine

ORDER

WELCH, Chairman; NUGENT and DIAMOND, Commissioners

I. SUMMARY

In this Order we approve an affiliated interest transaction between Central Maine Power Company (CMP) and its affiliate Union Water Power Company (Union), through Union's "On-Target" business division, whereby On-Target will install approximately four miles of fiber optic cable along an existing distribution power line in Sanford, Maine.

II. BACKGROUND

On August 15, 2000, CMP filed a request for approval of an affiliated interest transaction with Union. The transaction involves installing four miles of fiber optic cable along an existing distribution power line in Sanford, Maine. The project is part of the transmission system improvements that must occur to connect the Calpine gas generator to the electrical grid.

CMP issued a request for quotations (RFQ) to four companies and received three bids. On-Target was selected, as it was the lowest bidder.

III. DECISION

No public utility may arrange for the furnishing of any service with an affiliated interest until the Commission finds that the arrangement is not adverse to the public interest. 35-A M.R.S.A. § 707(3). In previous arrangements between Union and CMP approved by this Commission, the Commission has considered whether the arrangement has been made on an arms-length basis. Entering into a contract with an affiliate based on that affiliate's submitting the lowest bid through a fair bidding process is one indicator that a transaction is arms-length and likely to be in the public interest. The material¹ submitted with CMP's petition indicates that a fair bidding procedure took place and that On-Target was chosen based on its submitting the lowest bid.

¹With its petition filed on August 15, CMP requested a protective order covering the materials submitted by bidders in response to RFQ. The Hearing Examiner issued

Accordingly, we

O R D E R

That the arrangement between Central Maine Power Company and Union Water Power Company described in CMP's petition filed August 15 and 16, 2000, is approved.

Dated at Augusta, Maine, this 5th day of September, 2000.

BY ORDER OF THE COMMISSION

Dennis L. Keschl
Administrative Director

COMMISSIONERS VOTING FOR: Welch
 Nugent
 Diamond

a Protective Order on August 16 and CMP submitted the confidential information on August 16, 2000.

NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S.A. § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of review or appeal of PUC decisions at the conclusion of an adjudicatory proceeding are as follows:

1. Reconsideration of the Commission's Order may be requested under Section 1004 of the Commission's Rules of Practice and Procedure (65-407 C.M.R.110) within 20 days of the date of the Order by filing a petition with the Commission stating the grounds upon which reconsideration is sought.
2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within 30 days of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S.A. § 1320(1)-(4) and the Maine Rules of Civil Procedure, Rule 73, et seq.
3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S.A. § 1320(5).

Note: The attachment of this Notice to a document does not indicate the Commission's view that the particular document may be subject to review or appeal. Similarly, the failure of the Commission to attach a copy of this Notice to a document does not indicate the Commission's view that the document is not subject to review or appeal.